



Company	Sonic Healthcare Limited
Code	SHL
Meeting	AGM
Date	19 November 2019
Venue	Intercontinental Hotel, Macquarie Street, Sydney
Monitor	Allan Goldin assisted by Patricia Beal

Number attendees at meeting	61 shareholders, 5 proxy holders and 40 visitors
Number of holdings represented by ASA	313
Value of proxies	\$24 m
Number of shares represented by ASA	807,206
Market capitalisation	\$14 bn
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with Chair Mark Compton and Company Secretary Paul Alexander

Exciting growth opportunities, but a first strike

Chair Mark Compton opened the meeting with a summary of the record Financial Results, with the good news that the forecast has improved due to better rate on the recent major loan. He then acknowledged that the CEO Dr Colin Goldschmidt in the past year had not only been named as Distinguished Fellow from Royal Australasian College of Pathologists, but was also only one of only three Australians on Harvard Business Review's list of Top 100 Best Performing CEOs worldwide.

Dr Goldschmidt then delivered one of the best CEO speeches of the year demonstrating enthusiasm for the company and its ongoing opportunities, highlighting that it is corporate culture sets them apart. Emphasizing the importance of Medical Leadership, driving high-quality medicine and best patient outcomes. The presentation featured many of the 1,000 pathologists who add value to the 'product' which is why culturally aligned firms seek Sonic out for integration, so that 'takeovers' become 'enrichment' in both directions.

ASA questioned how a Company with great culture is unique in S&P/ASX200 Index by having every one of the management Key Management Personnel on the board, leading to speculation if the CEO & CFO leave should we all as well.

Questions included consideration of expansion into Asia, particularly China. The answer with growth opportunities were plentiful in existing markets with less risk, so not at this stage. There was discussion of the ongoing training both of staff and externally of people training in medicine, also sourcing where the Company tries to buy Australian but virtually all of what it uses is manufactured overseas.

Surprisingly, the Remuneration Report recorded a first strike, at 25.56% against (compared to 5.5% in 2018). ASA while pointing out the shortcomings of the report, voted for it, queried the issues raised by proxy advisors which were varied with none standing out.

Obviously 13.57% of the people voting agreed with us that a non-independent board was not right and voted against Dr Phillip Dubois. This will cease being a concern in April 2020 when Professor Suzanne Crowe, a medical specialist joins the board.